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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

SYMPOSIUM FOR LAND-LOCKED AND TRANSIT DEVELOPING COUNTRIES

Policies and actions being taken or envisaged to improve transit transport systems

Contributions by individual countries, and by international and intergovernmental organizations

Note by the UNCTAD secretariat

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I. INTRODUCTION

1. The General Assembly, in paragraph 12 of its resolution 48/169, invited the Secretary-General of UNCTAD to organize, in collaboration with the Administrator of the United Nations Development Programme and the Executive Heads of the regional commissions, a symposium for the land-locked and transit developing countries to address specific regional problems in implementing the recommendations of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions held in New York in May 1993. In paragraph 14 of the resolution, the General Assembly also urged UNCTAD, as the focal point on cross-regional issues of interest to land-locked developing countries, inter alia, to keep under constant review the evolution of transport-transit infrastructure facilities, institutions and services and to monitor the implementation of agreed measures.

2. As part of the implementation of the above provisions of the resolution, the Secretary-General of UNCTAD addressed a letter to land-locked and transit developing countries as well as to some of the relevant international and intergovernmental organizations involved in transit traffic and trade, requesting them to provide information on the policies and actions that they are taking or envisaging with a view to improving the transit transport systems, taking into account the recommendations made by the above-mentioned Meeting. The letter also pointed out that such information should indicate the difficulties and obstacles that are being encountered in this regard. The replies received by the UNCTAD secretariat are summarized below.

II. SUMMARIES OF REPLIES RECEIVED FROM INDIVIDUAL COUNTRIES

Burkina Faso

3. Burkina Faso cooperates with the neighbouring transit countries in the framework of bilateral and subregional transit agreements and arrangements. The Heads of State of ECOWAS signed two conventions designed to regulate transit operations, namely the "Convention sur le transport routier inter Etats" (TIE) (Inter-States Road Transport Convention) and the "Convention sur le transit routier inter-Etats" (TRIE) (Inter-States Road Transit Convention). At the national level, Burkina Faso is undertaking measures to improve the transit systems, including the reduction of road tolls and other controls. At the bilateral level, it has supported coordinated efforts to reduce transit times and costs and to improve the statistical database regarding inter-country transit operations.

Central African Republic

4. The six Heads of State, members of the Central African Customs and Economic Union (UDEAC) agreed in 1994 to take measures to improve the current transit system in the subregion. The Central African Republic took the initiative to set up specific working groups to make recommendations regarding new arrangements to improve customs procedures and practices, the organization of the international road transport system, the transit bond guarantee system and the conditions of the vehicles involved in the transit operations.

Djibouti

5. The Djibouti Government is making efforts to develop its container terminal into a regional maritime facility for handling transit goods. In December 1993, the Government signed a Convention in Addis Ababa to this effect. This Convention outlines a number of facilitating measures, including tariff reduction for transit cargo. There are, however, still problems related to the poor implementation of agreed measures. Furthermore, the rail and road facilities leading to the port are inadequate. There is, therefore, a need for efficient multimodal transport systems that effectively link the port to the neighbouring countries.

Ghana

6. Ghana, as a transit country, has adopted a number of policy measures and initiated some actions to assist neighbouring land-locked countries. These include, inter alia, on-going internal consultations to simplify customs documentation and administrative procedures; the review of customs administrative charges on transit cargo; the allocation of adequate land to Mali and Burkina Faso for the development of facilities at the Tema Harbour; the development of an inland waterways transport facility as well as the construction and rehabilitation of relevant road linkages. Action is also being initiated to create a free port regime for the port of Tema that would facilitate the flow of transit traffic to the land-locked countries, and to develop an Electronic Data Interchange (EDI) system. An open-door policy has been pursued, aiming at liberalizing most of Ghana's economic activities including transport and communication services. Financial constraints on the implementation of most of the transport plans, cumbersome customs procedures and the absence of an institutional framework to monitor the implementation of bilateral agreements are the main obstacles to the development of the transit system.

Lao People's Democratic Republic

7. The Australian funded "Friendship Bridge" over the Mekong, which was opened in early 1994, is the first one to connect Thailand and the Lao People's Democratic Republic. Moreover, a series of meetings between the two countries are being conducted to enhance bilateral cooperation with respect to all forms of transport links. A memorandum on cooperation in communications for 1994 was signed between the Lao People's Democratic Republic and Viet Nam, which describes priority road connections between the two countries, in particular those allowing Lao People's Democratic Republic to use the facilities in ports in Viet Nam. In January 1994, an agreement was also signed in Kunming between China, Myanmar, the Lao People's Democratic Republic and Thailand which will provide for two-way navigation on part of the Mekong river.

Malawi

8. The Malawi Government continues to participate, under regional arrangements like PTA and SADC, in transit traffic facilitation as well as entering into bilateral agreements. Malawi is committed to cooperating with

its transit neighbours in removing problems related to poor formulation and weak monitoring of implementation and settlement of disputes with respect to such aspects as transit routes by rail, road and inland-waterways, customs documentation and procedures, bonding guarantee systems, storage facilities for goods in transit, road maintenance regimes, road user charges and procedures for clearing and forwarding. More specifically, Malawi has initiated action on a number of issues, such as, inter alia, the restructuring of the railways in an effort to move to a more aggressive market-oriented management, plans for the establishment of a road fund to be used specifically for the maintenance of the roads, the implementation of PTA harmonized transit charges, carrier licences, and harmonized axle-load limits, and a 24-hour-a-day service at the borders. Furthermore, with USAID assistance a national transport policy framework has been drafted, which aims at developing a coordinated transport system, in a market-oriented approach, and a sound base for the various carriers to provide reliable, efficient and economic services to the people. However, Malawi recognizes that there is an acute shortage of trained human resources in the country to meet the requirements of transit operations at all levels. Human resource development programmes are therefore a priority in the development of transport.

9. On the whole, Malawi feels that most of the recommendations of the Meeting of the Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions held in May 1993 in New York are yet to be implemented. It is regrettable that some transit countries have not shown the appropriate willingness in that respect. Some countries have instituted stringent policies governing transit traffic to the detriment of the economies of land-locked countries. Lack of cooperative efforts on the part of some neighbouring transit countries and lack of commitment to the implementation of bilateral or regional agreements reached in the relevant institutional fora continue to be major impediments in the improvement of transit systems.

Mali

10. The Malian economy is heavily constrained by the high transit costs which it incurs on the movement of its import and export cargoes. These transport costs are estimated at 8 per cent of the GDP and they represent about 30 per cent of the total import costs. Mali has signed a number of bilateral and multilateral agreements with its neighbouring countries, including the TIE and TRIE Conventions (cf. para. 3 above). These agreements allow for the use of port facilities under the management of Malian agencies. Côte d'Ivoire and Senegal provide the port facilities for Malian cargo and special arrangements have been agreed upon with these transit countries with regard to customs documentation and procedures and other related facilities. It is important to note that, in response to General Assembly resolution 48/169, Côte d'Ivoire suspended the traditional payment of a special fee for the certificate that is required to accompany vehicles transporting transit goods to Mali (Lettre de Voiture). Furthermore, Mali established a national committee for the follow-up of the activities of the now terminated UNDP/UNCTAD subregional transit transport project. Mali also drew up an investment programme for the transport sector for the period 1994-1998, for which donor financing is being sought.

Senegal

11. Senegal provides transit facilities for Mali's transit traffic. In order to facilitate the transit services for Malian goods, a bilateral treaty was signed with Mali related to international rail/road transit which will soon be ratified. At the subregional level, Senegal also signed the TRIE Convention within the framework of ECOWAS. It also holds regular consultations with its neighbouring countries with a view to streamlining transit formalities and procedures.

Swaziland

12. A multilateral agreement which has been concluded within the framework of the Southern African Customs Union has considerably facilitated the transit of goods through the Republic of South Africa, and the conclusion of an agreement with Mozambique is seriously being considered. Transit and international road routes and rail facilities in Swaziland are reasonably maintained and operated. Development of the transport sector is, however, being affected by scarce trained human resources and inefficient institutional capacities. A fairly adequate transit system exists in South Africa. However, the transit facilities in Mozambique are poor and not reliable. The corridor connecting Swaziland to the sea ports in Mozambique, which offers the potential for significant reduction in transit costs, is under-utilized at present. Technical assistance is required to facilitate discussions on various transit transport issues between Mozambique and Swaziland.

Uganda

13. Uganda's transit network includes the Northern and Central corridor transit axes. Mechanisms, such as the Joint Consultation Committees at the bilateral level between Uganda and each of the transit/land-locked countries, are in place to ensure that the relevant rules are implemented. Poor road infrastructure is no longer a problem for transit traffic through Uganda. There is need, however, to harmonize the regulations pertaining to inland waterways transport systems, especially for Lake Victoria. The Uganda Railways Co-orporation (URC) has adequate locomotives and general purpose wagons. Nevertheless, arrangements are under way to alleviate the situation relating to the lack of tankers and container wagons.

14. Issues pertaining to faster transit of goods across borders are being addressed through, inter alia, the creation of a modern customs facility at Malaba and the installation of the Advanced Cargo Information System (ACIS). The Government intends to set up an Inland Dry Port in Uganda, with a view to minimizing the delays associated with customs and clearance procedures.

15. Transport infrastructure rehabilitation and maintenance for the transit network is one of the major priorities in the Public Investment Programme in Uganda. Furthermore, the Government has reduced its intervention in transit transport operations as part of its policy to liberalize trade and transport.

Zambia

16. With regard to policies and actions to improve intraregional transit trade, Zambia supports the simplification and harmonization of customs and administrative documentation, including the implementation of the Road Customs Transit Document (RCTD), which is designed to facilitate and expedite road traffic operations. Zambia also attaches great importance to action by PTA and SADC member States in the following areas: rehabilitation and maintenance of the transport infrastructure, the establishment of dry-ports to speed up transit time, the implementation of the regional bond guarantee scheme, gradual relaxation of visa requirements, accession to the harmonized commodity description and coding system, lifting of export and import duties on transit traffic and the development of bonded warehouses.

III. SUMMARIES OF REPLIES RECEIVED FROM INTERNATIONAL ORGANIZATIONS

Economic Commission for Africa (ECA) 1/

17. Land-locked countries have benefited from specific action in the area of transport and communications to ease the flow of transit traffic at regional or subregional levels. Under the on-going project related to the Second United Nations Transport and Communications Decade in Africa (UNTACDA II) the ECA is required to coordinate and facilitate the consolidation and establishment of a network of transport corridors through appropriate mix of transport modes, including those that serve the interests of land-locked countries. A survey of transit costs for transit transport is to be conducted on a subregional basis and various seminars in the field of road transport have been convened to help these countries in identifying the main problems associated with road deterioration and poor maintenance of truck and transit roads, as well as in strengthening human resources capabilities within the transport and communications sector. ECA has also prepared studies and technical publications on subjects such as the development of inland container terminals, the evaluation of railway transport services and the development of freight forwarding, which are being used by transit countries in the management and planning of their transit transport operations.

18. ECA is also carrying out activities which benefit land-locked countries in such fields as statistics and data processing, food and agriculture, industry and human settlements, marine affairs, water and energy resources.

Economic Commission for Latin America and the Caribbean (ECLAC) 2/

19. The Economic Commission for Latin America and the Caribbean (ECLAC) supports South America's two landlocked countries - Bolivia and Paraguay - in their efforts to improve transport and customs transit facilities across neighbouring countries for access to seaports. ECLAC's assistance in this area is carried out both at a multilateral and bilateral level. Bolivia in particular has been the recipient of such assistance. ECLAC recently collaborated with UNCTAD in preparing a proposal to install the rail component (RailTracker) of UNCTAD's Advanced Cargo Information System (ACIS) to handle traffic between Arica (Chile) and La Paz. Bolivia and Chile are currently seeking financing for this project. In the other two cases, ECLAC helped Bolivia to formulate and negotiate separate agreements with Chile and Peru to

facilitate transit operations to and from certain ports on the Pacific Ocean. These operations are carried out within the framework of the "Integrated Transit System" (SIT), whereby goods imported to Bolivia through Chile or Peru can automatically be transshipped to the railways for onward movement without additional customs procedures.

Economic and Social Commission for Asia and the Pacific (ESCAP) 3/

20. There are all together 12 land-locked countries in the ESCAP region, namely: Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Nepal, Tajikistan, Turkmenistan, and Uzbekistan. The efforts of the ESCAP secretariat to assist the land-locked and transit countries of the region have been mainly focused on land transport, transit arrangements, environment and natural resource management, technical development and trade promotion. In order to further enhance the trade of its member countries within and outside the region, the ESCAP secretariat promotes regional and subregional cooperation for the development of land transport infrastructure in Asia, including land-locked countries. In this regard, the proposed project on Asian Land-locked Transport Infrastructure Development (ALTID) is expected to make a major contribution to development of transport infrastructure in the region.

21. Resolution 48/11 adopted by the Commission recommended the accession of all its members to major international conventions in the field of transport facilitation. Regarding facilitation of rail freight traffic, the ALTID project will focus not only on the southern route linking Europe and South East Asia but also on the northern route providing a Europe-Asia transport alternative with a competitive edge over the existing sea transport routes. It is planned that this railway line will be operational by 1997.

22. A number of land-locked and transit countries of the region are signatory to several international conventions on transit traffic such as the Convention and Statute on Freedom of Transit and the Convention on Transit Trade of Land-locked States. Bilateral transit agreements also exist between some of the land-locked countries of the region and their transit neighbours. The development of a regional transit treaty that could be used as a model by all countries could further improve the transit system. In this connection, the ESCAP secretariat is exploring the possibility of assisting interested countries in developing such an agreement.

23. ESCAP activities also focus on problems confronting the land-locked countries regarding the development of food processing, in particular deficiencies in the storage and transport systems. Technical assistance for trade promotion of the land-locked countries has traditionally been accorded priority attention in the secretariat's mandate relating to international trade.

International Telecommunication Union (ITU)

24. The International Telecommunication Union is aware of the communication needs of the land-locked developing countries, particularly their national and external telecommunication needs for overall development in general and for the enhancement and management of transport systems in particular. In Africa,

the Pan African Telecommunication Network (PANAFTEL) was developed to facilitate intra-African communication and trade and any telecommunication links between land-locked countries and their neighbours with access to the sea. The network provided very useful services in managing and controlling these systems. Telecommunication facilities of all sorts are therefore of great value to land-locked countries.

The World Bank 4/

25. Since the World Bank is already active in many of the landlocked developing countries, it has the potential to play an important role in successfully contributing to the development of the transport systems of these countries, particularly with regard to the facilitation of access to import and export markets. The Bank's basic operational goals of poverty alleviation and food security are dependent on improving the reliability of transit operations. While the Bank has no policy specifically addressing the problems of landlocked countries, most relevant issues are covered in broader policies related to transport and trade facilitation, and fall within the broader approach encouraging a broader commercial orientation and promoting competitiveness in transport services. The Bank has undertaken a number of regional studies aimed at gaining a better understanding of the magnitude of the problems in land-locked developing countries and enhancing efforts to facilitate regional trade development. On the operational level, it has approved several projects in Africa which put special emphasis on linking up land-locked developing countries with their transit neighbours.

IV. SUMMARIES OF REPLIES RECEIVED FROM INTERGOVERNMENTAL ORGANIZATIONS

Economic Community of West African States (ECOWAS)

26. One of the main objectives of ECOWAS is to put in place an integrated, coordinated, efficient and responsive transit system within the Community which should meet the long-term needs for socio-economic development of the subregion. The weak implementation and reinforcement of agreed protocols, however, is a major impediment in improving transit systems. For example, it has been observed that agreed customs procedures related to the Protocol on Inter-State Road Transit (ISRT) are not followed and, as a result, there are increased delays in the movement of cargo. With respect to the guarantee mechanism for inter-State road transit of goods established by the Commmunity, which is aimed at reducing costs and solving the problems related to the escort for vehicles in transit, the Executive Secretariat of ECOWAS has mounted a campaign directed at national administrations and economic operators, with a view to achieving effective application by all member States of the mechanism. As for the single road transport document valid for movement across several countries, the poor coordination of multiple enforcement measures and the frequent violations of the provisions of the agreement by transport operators are still major constraints in the effective implementation of the document.

Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR)

27. MINCONMAR's maritime policy gives special attention to the particular needs of the land-locked member countries, particularly with respect to transit matters. An ad hoc commission was set up in October 1970 to study the constraints of land-locked countries. Recommendations have been made by the ad hoc Commission regarding, inter alia, the issue of preferential freight rates for land-locked countries, the participation of these countries in port activities and the establishment of institutional bodies such as "shippers councils" and the simplification of the administrative and customs procedures. However, inadequate support by the donor community has made the implementation of the above initiatives difficult. In this regard it is also noted that the UNDP/UNCTAD transit transport project, which was heavily involved in improving the transit systems in the subregion, has had to be discontinued for lack of donors' support.

Permanent Secretariat of the Transit Transport Coordination Authority of the Northern Corridor

28. The Authority's policy with regard to infrastructure includes the enforcement of axle load limits for transit vehicles; more extensive use of rail for transit traffic; the establishment of Inland Container Depots (IDCs); and the improvement of road safety on transit routes. So far as the non-physical aspects of transit transport are concerned, efforts are being made to reduce transit costs and transit time by the formulation and follow-up of a number of measures with regard to customs formalities for containers, harmonization of working hours and joint controls at transit adjacent customs posts. Improvement of the efficiency of the Road Customs Transit Document (RCTD) is also sought. Furthermore, the abolition of other administrative and statutory impediments to the free flow of transit traffic - such as high transit taxes, police escorts, and reduced permissible transit time - are among the major objectives of the work of the Coordination Authority. The Authority has also initiated measures to develop and improve lake traffic operations, and the training for the various groups of operators involved in transit transport.

Preferential Trade Area for Eastern and Southern African States

29. The original objective of integrating the socio-economic fabric of the PTA through transport and communications continues to be of high priority in the 1990s and beyond, as enunciated in the PTA Trade and Development Strategy adopted by the Tenth Summit of the PTA Authority in January 1992. Between 1982 and 1992, substantial progress has been achieved in rehabilitating and upgrading transport and communication infrastructures that had become unserviceable.

30. Poor road conditions are primarily responsible for high operating costs. However, the efficiency of the industry could be substantially improved by: improving the availability of vehicles and spare parts, improving access to commercial credit, and reducing government regulations and restrictions on market entry. In most member countries of the PTA, priority is traditionally given to the construction of new roads rather than the maintenance of existing

ones. A large part of the network can be saved at a reasonable cost if timely periodic maintenance is undertaken.

31. The PTA programmes on insurance, the use of the single Road Customs Transit Declaration Document (RCTD), the enforcement of standards for axle load limits, the harmonization of road user charges, and the liberalization of the commercial trucking industry have significantly reduced transit related costs and facilitated the movement across frontiers of vehicles and persons.

32. The strategy for the revival of railways focuses on institutional and policy reforms, which include, among others, granting by governments of managerial and commercial autonomy to railways. In the PTA railways strategy for the 1990s and beyond priority is given to the development of railways as the main mode of transport. With respect to multimodal transport, priority is being accorded to investments in appropriate technology that will facilitate the development of containerization. The potential to improve inland waterways transport faces a host of difficulties which make it expensive and inefficient. This is due to lack of policy coordination among bordering countries for the development of waterways. Following a recommendation by the PTA secretariat, four permanent technical committees were established to propose and implement joint regional transport programmes including those related to inland waterways development.

V. CONCLUSIONS

33. The replies summarized in this document came from individual countries, United Nations Economic Commissions and specialized agencies as well as from intergovernmental organizations. Although a much larger number of replies would have been desirable in order to draw firm conclusions, these replies do make general observations which are relevant to the basic issues and problems of transit transport.

34. The replies clearly underline the fact that rail and road services are particularly relevant for transit transport operations. Although physical infrastructure development remains a priority concern for many countries, the removal of non-physical barriers to the smooth movement of transit cargoes is assuming significant importance in the formulation of transit transport policies. This relates largely to the simplification and harmonization of customs and administrative procedures in ports and along the transit transport corridors, as well as to the simplification of other controls for the movement of cargo. Furthermore, railways are now being required to operate more on the basis of commercial criteria. Inter-railway cooperation arrangements are also being increasingly promoted. Investments in road transport infrastructure are directed more towards maintenance than to construction of new roads. Road users are having to make a greater contribution towards the cost of construction and maintenance of roads through the introduction of road user charges.

35. Inter-State cooperation is considered essential for efficient transit transport operations. Bilateral agreements have been the most common instruments for such cooperation. In addition, in Africa, regional agreements within the context of regional integration schemes such as ECOWAS, PTA and UDEAC have been a major vehicle for promoting cooperative arrangements. The

need to ratify international conventions related to transit transport has been recognized, but few countries in Africa, Asia and Latin America have become parties thereto. The scope and content of regional agreements in the framework of ECOWAS and PTA have encompassed broad issues in transit transport, including commitments relating to common road standards, permissible axle load limits, international customs transit regimes and institutional arrangements.

36. On the whole, the implementation of agreed regional standards and practices has been unsatisfactory because of the lack of adequate mechanisms to monitor and enforce the agreed rules and practices. The Northern Corridor Transit Agreement (NCTA) which sets out the terms and conditions for the use of the transit corridor from Mombasa, Kenya, to the land-locked countries of Uganda, Rwanda and Burundi is, perhaps, the most successfully implemented agreement. The agreement created a small secretariat which has been active in reviewing problems arising from implementation of the NCTA and assisting member States to resolve them. Technical assistance from UNCTAD and other international agencies is generally viewed as a critical support measure to improve the efficiency of transit transport operations. The replies from agencies have underlined the continued importance of such assistance.

Notes

1/ The full text of the reply has been issued in UNCTAD/LDC/Misc.30.

2/ The full text of the reply has been issued in UNCTAD/LDC/Misc.28.

3/ The full text of the reply has been issued in UNCTAD/LDC/Misc.27.

4/ The full text of the reply has been issued in UNCTAD/LDC/Misc.31.